IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.718 OF 1998

The Commissioner of Income Tax
Bombay City -III, Bombay .. Applicant.
V/s.
M/s.Ultramarine & Pigments Ltd. .. Respondent.

Mr.A.S. Rao i/b. Mr.Pankaj Kapoor for the applicant.
Mr.A.K. Jasani i/b. S.S. Shetty for the respondent.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 5TH APRIL, 2005.

P.C. :

1. Heard learned counsel for the applicant. The Tribunal has referred question for the opinion of this Court reading as under :-

> Whether in the facts and in the circumstances of the case and in view of the provisions of sec.43(1), the Tribunal was right in law in holding that depreciation allowance should be computed without deducting the central subsidy from the cost of the assets ?

2. The above question has already been answered by the Apex Court in the case of **C.I.T. V/s. P.J. Chemicals Ltd. [(1994) 210 I.T.R. 830 (SC)]** in the affirmative i.e. in favour of the assessee and against the revenue. In this view of the matter, reference stands disposed of in terms of that judgment with no order as to costs.

****